

## Message Text

LIMITED OFFICIAL USE

PAGE 01 PANAMA 06434 292101Z

72

ACTION EB-11

INFO OCT-01 ARA-16 EUR-25 ISO-00 SCI-06 SCEM-02 INT-08

TRSE-00 AGR-20 AID-20 CIAE-00 COME-00 DODE-00 FMC-04

INR-10 NSAE-00 RSC-01 CG-00 COA-02 DLOS-06 AF-10

SAB-01 DRC-01 NEA-10 /154 W  
----- 117725

R 292003Z NOV 73

FM AMEMBASSY PANAMA

TO SECSTATE WASHDC 9189

AMCONSUL CURACAO

AMEMBASSY LONDON

INFO PANCANAL

LIMITED OFFICIAL USE PANAMA 6434

EO 11652: N/A

TAGS: ENRG, ETRN, PQ, PN, UK

SUBJ: REFUSAL OF BUNKERING FOR SHIP UNDER CHARTER  
TO US COMPANY - SS ST PROVIDENCE

REF: (A) STATE 232729; (B) STATE 219469

SUMMARY SHELL PANAMA REFUSED BUNKERING TO SUBJECT SHIP  
BECAUSE AUTHORIZATION NOT RECEIVED FROM LONDON HOME OFFICE  
WHICH CONTROLS SUCH DELIVERIES GLOBALLY. OTHER MAJOR OIL  
COMPANIES ADOPTED SIMILAR CENTRAL CONTROL AFTER ARAB OIL  
PRODUCERS RESTRICTED DELIVERIES LAST MONTH. OWNERSHIP OF  
BUNKER FUELS RESTS WITH OIL COMPANIES, NOT WITH PANCANAL  
COMPANY WHICH OWNS, OPERATES DELIVERY FACILITIES. COOK  
INDUSTRIES SHOULD THEREFORE CONSIDER DIRECTING REQUEST TO HOME  
OFFICES OF OIL COMPANIES LONDON AND NEW YORK, WHERE DECISION  
ULTIMATELY MADE. FIFTY PERCENT INCREASE IN BUNKERING IN  
RECENT MONTHS MAKES CANAL TERMINALS SECOND LARGEST SUCH  
FACILITY IN WORLD. OIL COMPANIES ARE HUSBANDING FUEL  
STOCKS IN ANTICIPATION OF MORE CRITICAL SUPPLY SITUATION.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 PANAMA 06434 292101Z

THEY AND PANCANAL ALERT TO POSSIBILITY THEY COULD BECOME

TARGETS FOR UNWARRANTED CHARGES OF DISCRIMINATION IN DISPENSING FUELS IF EXCESSIVE DEMANDS PLACED ON SUPPLIES HERE. END SUMMARY

1. EMBASSY OBTAINED FOLLOWING CLARIFICATION FROM LOCAL SHELL OFFICE. THE SHELL PETROLEUM COMPANY (UK) HAS INSTITUTED CENTRALIZED CONTROL IN LONDON OF PROCUREMENT, TANKER FLEETS AND BUNKERING SERVICES TO ENSURE OPTIMUM USE OF LIMITED FUEL SUPPLIES AND DISTRIBUTION FACILITIES. THIS NECESSITATED BY STRINGENT SUPPLY SITUATION RESULTING FROM REDUCED SHIPMENTS FROM ARAB PRODUCING COUNTRIES AND BY ITS CONTRACT COMMITMENTS TO SUPPLY REGULAR CUSTOMERS. THUS, SHELL PANAMA AND ITS OUTLET, ANDERS & COMPANY, IN CRISTOBAL CAN ONLY BUNKER SHIPS UPON RECEIPT OF INSTRUCTIONS FROM SHELL IN LONDON, IN ABSENCE OF WHICH IT TURNED DOWN SS ST. PROVIDENCE REQUEST NOVEMBER 26. NEITHER HAVE INSTRUCTIONS TO MEET ANY REQUEST OUT OF SHELL HOUSTON. SHELL STOCKS IN CRISTOBAL ADEQUATE ONLY TO MEET KNOWN COMMITMENTS, PRIMARILY WITH REGULAR CUSTOMERS.

2. C. FERNIE & COMPANY, AGENT FOR SS ST. PROVIDENCE, HAS CABLED SHELL LONDON AND HOME OFFICES OF OTHER POSSIBLE SUPPLIERS AND IS AWAITING RESPONSES.

3. BUNKER FUEL SUPPLIES FOR SHIPS CALLING AT PANAMA CANAL TERMINALS CRISTOBAL AND BALBOA ARE MAINTAINED ALSO BY TEXACO, ESSO, MOBIL, CHEVRON AND GULF. UNITED BRANDS HAS FUEL STOCKS FOR ITS OWN SHIPS. OWNERSHIP OF THESE SUPPLIES RESIDES WITH THESE COMPANIES, ALL OF WHICH REPORTEDLY ARE NOW CAREFULLY COORDINATING TANKER SHIPMENTS AND BUNKER DELIVERIES ON A GLOBAL BASIS OUT OF NEW YORK HOME OFFICES. ACCORDING TO SOURCES HERE, ALL ARE RELUCTANT TO SERVICE OTHER THAN REGULAR CUSTOMERS, IN ANTICIPATION OF WORSENING SUPPLY SITUATION. COOK INDUSTRIES MIGHT THEREFORE WISH TO CONTACT NEW YORK HEADQUARTERS OF THESE COMPANIES (OR SHELL LONDON), WHERE DECISION ULTIMATELY MUST BE MADE.

4. SUBJECT DISCUSSED WITH PANCANAL, WHICH SYMPATHETIC. IN SUCH CASES IT NORMALLY WORKS CLOSELY WITH OIL COMPANIES TO PROVIDE BEST POSSIBLE SERVICE AND IS WILLING DO SO IN THIS CASE UNDER CIRCUMSTANCES. BUT CANAL COMPANY ONLY OWNS LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 PANAMA 06434 292101Z

STORAGE AND DELIVERY SYSTEM AND CAN NOT RPT NOT ASSUME ROLE OF ARBITER OF DELIVERIES OF COMPANIES' SCARCE STOCKS OR SACRIFICE ITS OWN LIMITED SUPPLIES WHICH ESSENTIAL FOR CANAL OPERATIONS. BUNKERING AT CANAL TERMINALS HAS INCREASED FROM 30,000 TO 45,000 BARRELS PER DAY RECENTLY, BOOSTING IT FROM THIRD TO SECOND LARGEST BUNKER FACILITY IN WORLD. CANAL COMPANY WISHES AVOID PRECEDENT WHICH WOULD PUT FURTHER DEMANDS ON ITS SYSTEM. IT AND LOCAL OIL COMPANIES AWARE

OF IMPLICATIONS FOR THEMSELVES AS POSSIBLE TARGETS FOR  
ALLEGATIONS OF DISCRIMINATION IN DISPENSING FUEL SUPPLIES.  
THEY ARE ATTEMPTING TO HANDLE BUNKERING REQUESTS IN SUCH A  
WAY AS TO AVOID SUCH CHARGES. WE WILL BE GUIDED BY REF B  
IN EVENT SUCH PROBLEM ARISES.  
SAYRE

LIMITED OFFICIAL USE

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** n/a  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 29 NOV 1973  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** mcintyresh  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1973PANAMA06434  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** n/a  
**From:** PANAMA  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1973/newtext/t1973115/aaaaadlt.tel  
**Line Count:** 121  
**Locator:** TEXT ON-LINE  
**Office:** ACTION EB  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
**Previous Channel Indicators:**  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** (A) STATE 232729; (B) STATE 219469  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** mcintyresh  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 31 JUL 2001  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <31-Jul-2001 by thigpegh>; APPROVED <27-Aug-2001 by mcintyresh>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** REFUSAL OF BUNKERING FOR SHIP UNDER CHARTER TO US COMPANY - SS ST PROVIDENCE  
**TAGS:** ENRG, ETRN, PQ, PN, UK  
**To:** STATE LONDON  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005